

Message Text

UNCLASSIFIED

PAGE 01 LISBON 04846 240905Z

ACTION EUR-12

INFO OCT-01 ISO-00 INR-07 PA-02 PRS-01 /023 W

-----071724 240909Z /20

P 231746Z JUN 77

FM AMEMBASSY LISBON

TO USINFO WASHDC PRIORITY

INFO SECSTATE WASHDC PRIORITY 1882

USIA WASHDC

UNCLAS LISBON 4846

USINFO FOR IOP/M

USIA FOR IEU

STATE FOR EUR

E.O. 11652: N/A

SUBJ: MEDIA REACTION - MULTILATERAL LENDING PROGRAM
FOR PORTUGAL

1. MULTILATERAL LENDING FOR PORTUGAL: MAJOR MEDIA ATTENTION
WAS GIVEN PARIS MEETING AT WHICH \$750 MILLION PLEDGED FOR
BALANCE -OF-PAYMENTS ASSISTANCE TO PORTUGAL. REPORTS WERE
LEAD ITEM ON RADIO AND TELEVISION JUNE 22-23.
LEADING-CIRCULATION, PRO-GOP "DIARIO DE NOTICIAS" JUNE 23
HAD FRONT-PAGE HEADLINE, "LOAN TO PORTUGAL OF 30 MILLIONS OF
CONTOS."

ARTICLE QUOTED U.S. STATE DEPARTMENT OFFICIAL PAUL BOEKER
AS SAYING THE LOAN PROGRAM REPRESENTED "A CONSIDERABLE
VOTE OF CONFIDENCE IN THE PORTUGUESE GOVERNMENT ECONOMIC
POLICIES" AND THAT "REDUCTION" FROM ORIGINAL STATED
TOTAL THREE-YEAR LENDING GOAL WAS DUE TO EXPECTATION
THAT IMF WOULD DEVELOP MAJOR LENDING PROGRAM FOR
PORTUGAL FOR 1979. SIMILAR COVERAGE IN RIGHTIST
"O DIA" WAS HEADLINED, "'MAJOR LOAN' REDUCED BY HALF."

2. OTHER COVERAGE:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LISBON 04846 240905Z

(A) PRO-SOCIALIST "A LUTA" JUNE 23 FRONT-PAGE HEADLINE
WAS "DECIDED IN PARIS, FINANCIAL AID TO PORTUGAL: 30-MILLION-CONTO
LOAN IS NOT SUBJECT TO SPECIAL CONDITIONS;
OTHER PART OF THE LOAN GUARANTEED BY IMF". ARTICLE
INCLUDED THIS PARAGRAPH: "A PORTUGUESE GOVERNMENT SPOKESMAN
CONFIRMED THIS MORNING TO THIS NEWSPAPER THAT THE IMF

WILL ASSUME THE RESPONSIBILITY OF GUARANTEEING TO PORTUGAL A LOAN AMOUNTING TO THE DIFFERENCE BETWEEN 30 MILLION CONTOS WHICH WAS ANNOUNCED YESTERDAY IN PARIS AND THE INITIAL PORTUGUESE PROJECT (WHICH WAS ABOUT 60 MILLION CONTOS)."

(B) CENTER-RIGHT "JORNAL NOVO" JUNE 23 FRONT-PAGE HEADLINE: "ELEVEN COUNTRIES LOAN \$750 MILLION TO PORTUGAL." REPORT WAS STRAIGHTFORWARD.

(C) PRO-COMMUNIST "DIARIO DE LISBOA" HAD EXACTLY SAME HEADLINE AS ONE IN PARA (B). ARTICLE LIKEWISE WAS UNBIASED.

(D) CENTER-LEFT "PRIMEIRO DE JANEIRO" OF OPORTO HAD SIMILAR FRONT-PAGE HEADLINE, WITH ARTICLE WHICH NOTED THAT SUM AND PERIOD OF LOAN WAS HALF OF THAT ORIGINALLY DISCUSSED.

3. SAMPLE ELEMENTS OF RADIO REPORTS:

(A) RADIO RENASCENCA, CATHOLIC-OWNED NATIONAL NETWORK, JUNE 23 NEWSCASTS SAID, IN PART: "... REDUCTION OF THE LOAN TO LESS THAN HALF OF WHAT WAS INITIALLY PREDICTED RESULTED FROM THE FACT THAT PORTUGAL WILL BE ABLE TO OBTAIN, IN 1979, LOANS FROM THE IMF, WHICH WILL COLLABORATE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LISBON 04846 240905Z

WITH THE PORTUGUESE GOVERNMENT IN ELABORATING A NEW PROGRAM OF ECONOMIC STABILIZATION."

(B) RADIODIFUSAO PORTUGUESA (STATE RADIO NETWORK) JUNE 23 NEWSCASTS INCLUDED THESE POINTS: "... PAUL BOEKER BEGAN BY SAYING THAT ALL COUNTRIES REPRESENTED (IN PARIS) HAD RECOGNIZED FIRST OF ALL THAT THIS EFFORT WOULD BE QUITE IMPORTANT FOR THE PROGRESS OF DEMOCRACY IN PORTUGAL. BESIDES THESE GOOD INTENTIONS, WE NEVERTHELESS CANNOT FAIL TO NOTE THAT THE EXPECTED LOAN HAD BEEN, AT THE OUTSET, FOR ONE AND A HALF BILLIONS OF DOLLARS DURING A THREE YEAR PERIOD. IN REDUCING BY HALF THE SUM AND PERIOD, THE COUNTRIES IN QUESTION GAVE ABOVE ALL A SIGNAL THAT IF ONE CAN HAVE CONFIDENCE IN THE POLITICAL AND ECONOMIC FUTURE OF PORTUGAL THIS CONFIDENCE CONTINUED NONETHELESS TO BE SOMEWHAT RESERVED. AS SOON AS THIS FUND IS EXHAUSTED, PORTUGAL MAY BE APPEALING TO OTHER SOURCES OF LESS EXCEPTIONAL FINANCIAL ASSISTANCE, SUCH AS PRIVATE BANKS AND THE IMF. AND, IN THE END, WHEN DISCUSSION CENTERED ON AUSTERITY MEASURES IMPOSED OR TO BE IMPOSED ON PORTUGAL IN ACCORD WITH DEMANDS BY THE IMF (AS WELL AS BUDGETARY OR MONETARY RESTRICITONS), WE WERE TOLD THAT NO ADDITIONAL

ESCUDO DEVALUATION, A POSSIBILITY WIDELY DISCUSSED RECENTLY,
WAS FORESEEN."
JORDAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ECONOMIC PROGRAMS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON04846
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770226-0200
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770624/aaaaavbk.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a2f0ce77-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2051218
Secure: OPEN
Status: NATIVE
Subject: MEDIA REACTION - MULTILATERAL LENDING PROGRAM FOR PORTUGAL
TAGS: ECON, PO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a2f0ce77-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009